Syngenegraph Part 2

A new Perspective on the Purpose of Blockchain Technology in Creating a Safe, Secure, Circular & Sustainable Global Economy for Engineers, Creatives & Blue Collar Workers.

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Abstract

The CoVid-19 crisis represents a new opportunity to reshape out global value systems in accordance with our best available understanding or what prevents humanity from developing the necessary innovation to improve genuine quality of life. The networked systems of coordination of the 20th century, whether capitalist or socialist, were capital power structures. These structures depend upon mimetic desire, and therefore scapegoating, and sabotage in order to sustain them.

The advent of Bitcoin [58] and other blockchain solutions heralds a new vision of decentralised value networks, free from oligarchical and state control. However these networks still depend upon capitalist conceptions of money and finance and will continue to inherit the legacy problems associated with the value networks of the past if we do not build solutions which fundamentally take individual situational capital into consideration from the beginning. Decentralisation means not just decentralisation of finance but also decentralisation of how financial instruments are created from the situational capital of the individuals involved in creating them.

Decentralisation means not only decentralising the creation and transfer of money, but also decentralising the meaning of money according to the existential drivers and necessities of those involved in its creation from the work that they carry out. If we consider money to be the integral of all work and stake across a network accumulated via non-zero sum and zero sum games, we can attribute provenance to money in a way that is 10x more transparent and fair for those involved in earning it by giving up their time and their life.

Managing Global Complexity

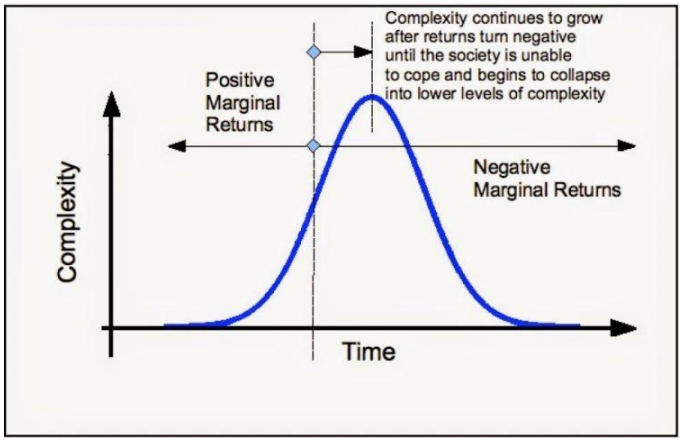
Complexity continues to grow after returns turn negative until the society is unable to cope and begins to collapse into lower levels of complexity
Positive Marginal Returns
Negative Marginal Returns
Complexity
Time

Figure 1.1: Joseph Tainter [1] argues that societies will inevitably collapse once the marginal utility of increased complexity reaches a maximum.

Super Wicked problems such as climate change, air and ocean pollution, in addition to huge global debts and an inability for democracies and technologists to meaningfully reform finance, are signs that the complexity of global human society is becoming unmanageable by its current systems of governance and oversight. The World Economic Forum's Great Reset agenda recognises that CoVid-19 is merely a symptom of a broader and more fundamental set of problems facing humanity.

The Great Reset agenda covers international trade, housing, city planning, technological progress, agriculture, recycling, quality of life, mental health and more.

The key to managing complexity at scale is to delegate as much responsibility as possible to as many competent leaders as possible at scale, particularly engineering innovators who can automate away complexity, inefficiency and externality. Thus the Great Reset should focus on educating and initiating leaders with the information, training, education and tools required to solve the big problems and the local level.

The Dunbar Number [6] is the number of people that humans can conceivably treat as individuals with a constructive theory of mind, empathy and compassion. This number is thought to

represent the maximum size of Homo Sapiens tribes before the advent of civilisation. Academics agree that the Dunbar number is somewhere between 150 and 200. Thus the Great Reset should be aiming to create a minimum of 39 million leaders, proportioned according to population density, who can implement and manage the necessary innovation required to implement the Great Reset agenda at an emotionally and physically relevant human scale.

Creating a leader means creating a human being that is compassionate; can handle uncertainty; can be trusted to make decisions autonomously with minimal supervision; can be trusted to form their own views and opinions and has been initiated into the harsh realities of life. A leader should be strong enough to mediate conflict, but also gentle and humble enough to nurture and develop new leaders. Social media doesn't create leaders, only followers of followers. Mass censorship demonstrates that social media doesn't trust itself enough to delegate leadership responsibilities, which makes its business model completely unsuitable for global coordination at scale. Finance and politics don't create leaders because trust in both is at an all time low amongst the population.

Significant barriers exist for those individuals who wish to step up to the plate and take the necessary levels of personal responsibility to lead their communities with confidence and competence through future uncertainty. The path to genuine self responsibility and genuine innovation works in counter-intuitive ways that often work the opposite way in real life to how we are told by our current crop of leaders and experts. By combining Peter Thiel'z Zero to One [2] with Nitzan and Bichler's Capital as Power [3], this path to genuine initiation and genuine leadership in the real world, in real human society, can be decoded and understood in a way that allows for much more constructive action.

II. Zero to One and Monopoly

Zero to One: Notes on Startups, or How to Build the Future by Peter Thiel with the help of Blake Masters is essential reading for any entrepreneur seeking to build a radically innovative product and for policy makers seeking to create the right conditions for innovation to happen and flourish [1].

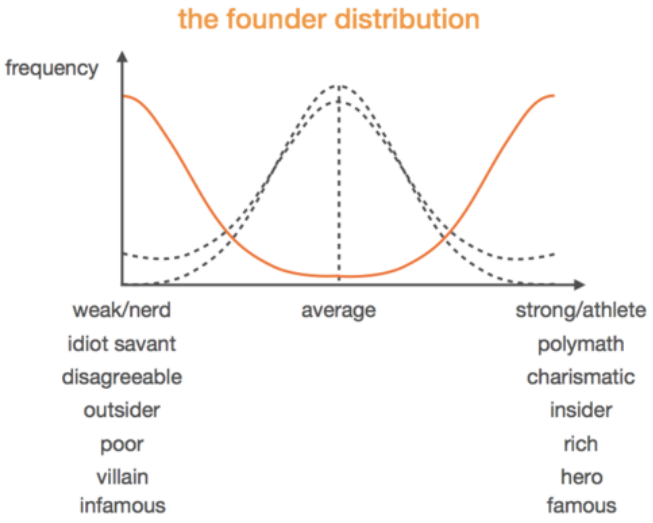

Figure 2.1: Founders emerge with high frequency from the fringes of society and these fringes, in reality, have fat tail power law distribution as opposed to a normal distribution.

The first thing to remember about founders of radically innovative companies and projects do not fit the same demographic distributions typically considered by leaders in democratic countries. Democracy, by its nature, aims to please the middle of the population distribution curve, but innovative genius, by definition, does not emerge from the middle of the demographic distributions typically considered by politics and policy makers.

But in addition to this Thiel argues not only that innovators emerge from the fringes of society but that, when they do emerge, they have unique talents, characteristics and/or personality traits that could be seen as either extremely beneficial or extremely threatening or any immiscible mixture thereof. These traits then drive the innovator to succeed in establishing a unique place within society and the economy. If the innovator is at any point competing with the pre-existing hierarchies and institutions of power then he or she is much more likely to fail as in any competitive situation. Non-cooperative game theory dictates that the vastly outnumbered and outgunned innovator will not only lose but will also lose catastrophically.

In a commonly understood cultural sense Founders have a lot in common with TV Tropes; Comic Book heroes and villains; Norse, Egyptian, Roman, Juju, Greek, Animistic or Hindu supernatural beings. Thiel reconciles this heady mixture of the mundanity and toil of doing real work and engineering to deliver product with the often fantastical and paranoid public perception in the mass consciousness via the avant garde French Christian philosopher and sociologist René Girard.

Girard argues that Christianity itself exists as a mirror reflection of mankind's own overtly violent and subvertly meta-violent psychological tendencies towards scapegoating those who divert from social, economic, cultural, spiritual and scientific norms. Girard further argues that all human desire is mimetic and learned via social competition both within and between tribes, having no basis in fundamental material and psychological awareness nor understanding. Therefore culture itself emerges from the actions, not of the collective at large, but rather from the image that the collective psychological mirror reflects from the light of the individual struggles of radicals, shamans, entrepreneurs, aristocrats, philosophers and prophets whether successful or otherwise [31].

> *"There is no culture without a tomb and no tomb without a culture; in the end the tomb is the first and only cultural symbol. The above-ground tomb does not have to be invented. It is the pile of stones in which the victim of the unanimous stoning is buried. It is the first pyramid."*
> *-René Girard*

The conclusion of this train of thought is counterintuitive to both innovators and policy makers and goes a long way to explain why innovation has stagnated in the West outside of information technology, while talk of innovation, the desire for innovation and the intention to innovate have both risen dramatically [32]. Policy makers within democratic societies are trained to think in terms of pleasing the majority, but to please the majority in terms of radical innovation is to crucify or pacify the innovators for the benefit of entrenched special interests.

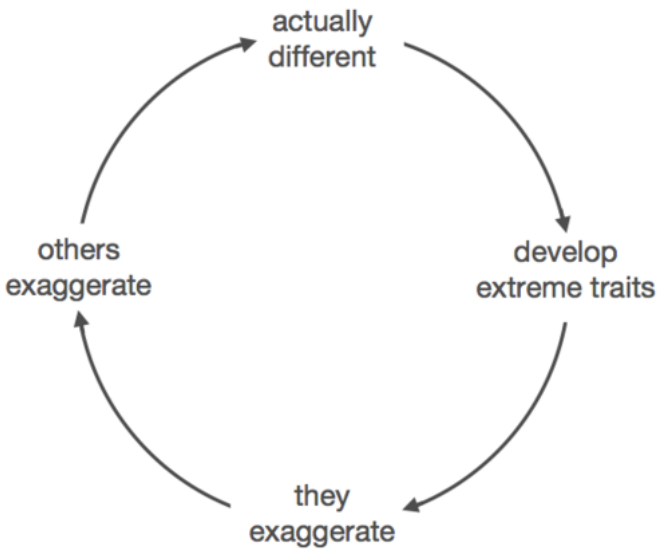

Figure 2.2: In order to succeed founders will double down on what exaggerates their difference from others rather than conform. The virtuous Zero to One circle for founders is for them to become more extreme.

Likewise innovators when faced with not just societal backlash but also the backlash of the institutions of democracy themselves, always seeking to gain and leverage popular support, seeing that they risk not only failure but also ruin and perhaps even worse given global blanket global surveillance and erosion of rule of law, are put in a very difficult spot in terms of the mechanics of Game Theory. Either they must admit defeat and allow what they have determined to be wrong to continue unchallenged. Today this could include illegal wars, democratic subversion, slavery, pollution, tyranny or corruption. The alternative is to very aggressively double down and jam the pot and be risked as being seen as extreme or outrageous, in the best case, or seditious threatening in the worst case: even risking the ire of intelligence agencies and the mobilisation of hierarchical forces swayed by lobbyists designed to tackle 'extremism' in all its forms.

This divergence between the demands of democracy and innovation continues to rear its head in an important sector required to address climate change and environmental pollution: the Clean Technology or CleanTech sector. Democratic institutions will tend to fund and subsidise entrepreneurial ventures that are not unique, because the benefits of uniqueness do not accrue to them but the risks do.

In terms of personalities and psychology, the game of democracy is a zero sum game: one vote accrued to one party is a vote lost by another. Disruptive innovation, however, is not. Any brief tour of any home kitchen will demonstrate the production and ownership of kitchen appliances is non-zero sum and not mutually exclusive. Democratic institutions will, however, tend to listen to

and agree with those most like themselves and fund projects that best align with their own understanding and vision of how the economy and society work: which will usually be in terms of zero-sum games. This aligns with the 'Purple Faction' of the Cre-Order of capital discussed in Section IX.

According to the prevailing neoliberal ideology: governments should regulate markets in order to achieve perfect competition. But under perfect competition non-unique CleanTech products produced in a prevailing zero-sum paradigm are manufactured best and at lowest cost in China, and therefore all efforts to stimulate growth under ideology of democracy and neoliberalism these CleanTech startups will tend towards failure outside of China. This despite Democratic institutional obsession with certainty of outcome, just as the benefits of uniqueness do not accrue to them so too do the risks of subsequent commercial failure.

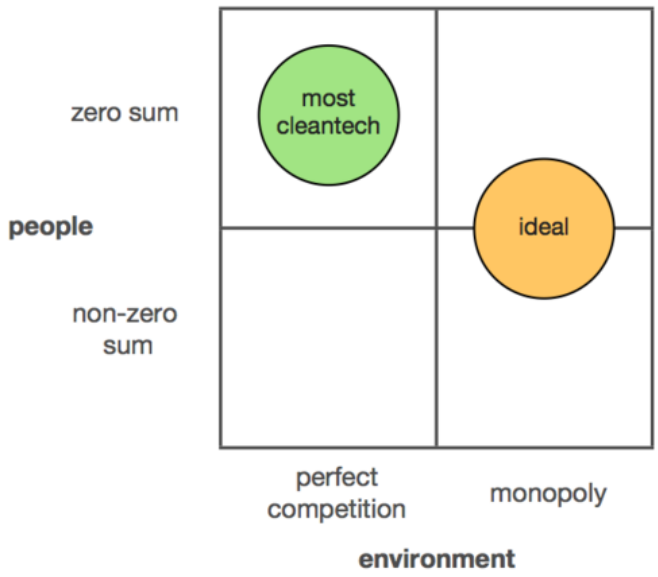

Figure 2.3: Neoliberal and government orthodoxy selects for zero sum solutions under perfect competition, but entrepreneurs should select for monopoly in between altruism and zero sum politics.

Successful innovators, however, should aim to position themselves somewhere between zero-sum and non-zero sum psychologically. This, again, aligns with Nitzan and Bichler's theories about the Cre-order of capital [2] and how the Cre-Order of capital organises itself within the Romeo-Juliet Diagram framework, discussed in Section IX whereby innovators should seek to arbitrage the schism of insurance pricing that the Cre-Order of capital tends to produce in order to maximise non-zero sum outcomes within the domain of engineering.

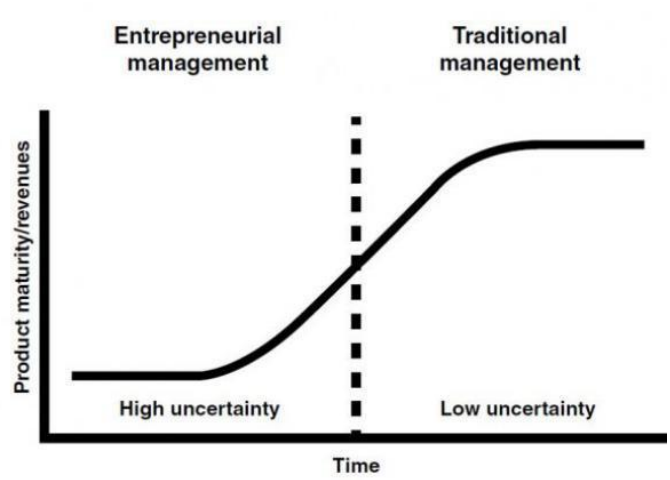

Figure 2.4: Only after the Zero to One entrepreneur has carried their product through the low maturity / high uncertainty phase can traditional management pick up the reigns.

Only after the entrepreneurs have taken their project through the high uncertainty phase, where situational capital and uniqueness are essential to success in overcoming the scapegoat paradox, can the traditional structures of hierarchy pick up the reins and establish it more broadly within the framework of democracy and wider social mimetic desire.

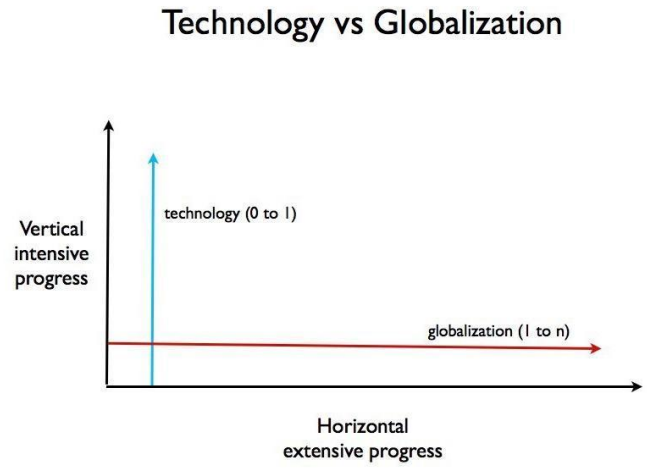

Figure 2.5: Technological innovation as economic growth is either Zero or One, it either happens or it doesn't. Horizontal growth, the expansion of provision of products that already exist, is analogue and operates according to the principles of Power Capital.

The final piece to the puzzle of understanding Zero to One thinking is that economic growth as reported by the institutions of democracy can happen in one of either two ways: horizontal extensive growth driven largely by mimetics, or vertical intensive growth driven by innovation.

The key difference between these processes is that vertical growth is 1 or 0, it either happens or it does not.

By contrast horizontal growth is incremental and once started will keep going under its own force driven by a mixture of mimetic desire, for demand, and Cre-Order sabotage, for price discovery and differential advantage amongst competing capitalists.

III. Romeo-Juliet Diagrams

Capitalism as a method for social organisation is successful but fundamentally flawed due to information asymmetry and sabotage being a necessary prerequisite for profit. Inspiration for the Romeo-Juliet diagrams presented in this paper draws from the work of Joseph Schumpeter, Nikolai Kondratiev [34], Henry George [29], Diego Gambetta [18], Shimshon Bichler and Jonathan Nitzan [2] in economics; Peter Thiel in entrepreneurship [1] and business; John Nash's Game Theory [27]; Daniel Robles for engineering and blockchain integration [13] [14] [15] and some basic principles of Process Calculus [92], inspired by RChain's Rho-Calculus developed by Greg Meredith [12].

1) The Basic Premise and Purpose

The Romeo-Juliet diagram was originally created while exploring the reasons why engineers and entrepreneurs create solutions to problems for which society and politics expresses strong demand, but the investment community does not.

The 'deathly embrace' between engineers and entrepreneurs presenting actionable solutions to global existential problems and a financial system that ignores them is the most important and pressing problem that blockchain technology can solve.

Entrepreneurs and problem solvers starting from outside the financial system start at a significant disadvantage because the financial system is a highly serialised process channel that we all must have access to in order to survive in society and be accepted by society.

In addition to this Nitzan and Bichler's Capital as Power [2] states that perpetual sabotage is necessary within any system of power capital (left or right wing) in order to distill profits from production and therefore the price signals necessary to organise society.

Diego Gambetta [18] argues that where the state and existing power structures do not provide overarching protection, Mafia economics will tend to take hold. In addition to this Peter Thiel argues that since the 1970s the Western world, historically the source of most of the world's technological innovation, has largely given up on pursuing it outside of computing, the internet and information technology. These empirically verifiable conclusions jar with the prevailing narrative, which is symptomatic of what Gambetta describes as a Mafia economy, where rent seeking from information asymmetry and deception predominate, and what Nitzan and Bichler describe as Stagflation and excessive Cre-Order sabotage.

At the same time as experiencing half a century of innovation stagnation, the complexity of global existential issues has escalated beyond our control. CoVid-19 is merely the latest in a string of global coordination catastrophes that include climate change; air and ocean pollution; failure to regulate and reform banking; spiralling debt burdens both private and national; and escalating international tensions over territory, natural resources and trade. All the while the global population has expanded to 7.8 billion people.

The Romeo-Juliet diagram begins to formalise Peter Thiel's 'Zero to One' entrepreneurial journey within a descriptive and adaptable framework that boils down to the same processes already used by network penetration testers. Because network penetration testing is already a well established engineering process, and everything is taking place via signals being sent and received on process channels, the precarious path from Zero to One can be analysed according to Game Theory, Media Studies and Signalling Theory.

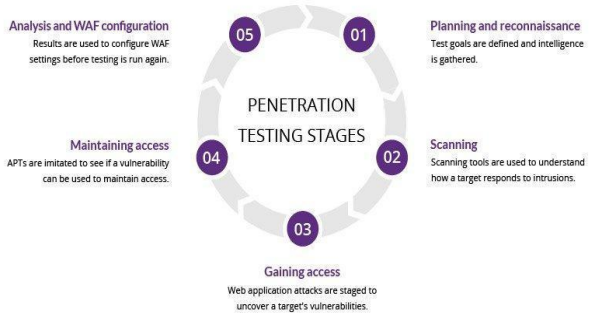
Analysis and WAF configuration
Results are used to configure WAF settings before testing is run again.
05
01
Planning and reconnaissance
Test goals are defined and intelligence is gathered.
PENETRATION TESTING STAGES
Maintaining access
APTs are imitated to see if a vulnerability can be used to maintain access.
04
02
Scanning
Scanning tools are used to understand how a target responds to intrusions.
03
Gaining access
Web application attacks are staged to uncover a target's vulnerabilities.

Figure 3.1: The stages of penetration testing. Zero to One is essentially the same as network penetration. For technology to become adopted commercially it must gain and maintain access to the target demographic network.

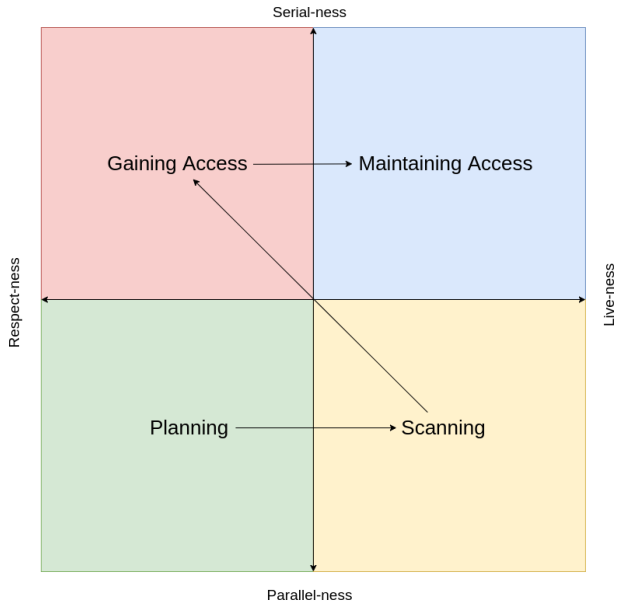

Figure 3.2: The stages of penetration testing map to the Romeo-Juliet diagram perfectly. Stage 5, analysis, is superfluous for the purposes of describing the mechanics at hand.

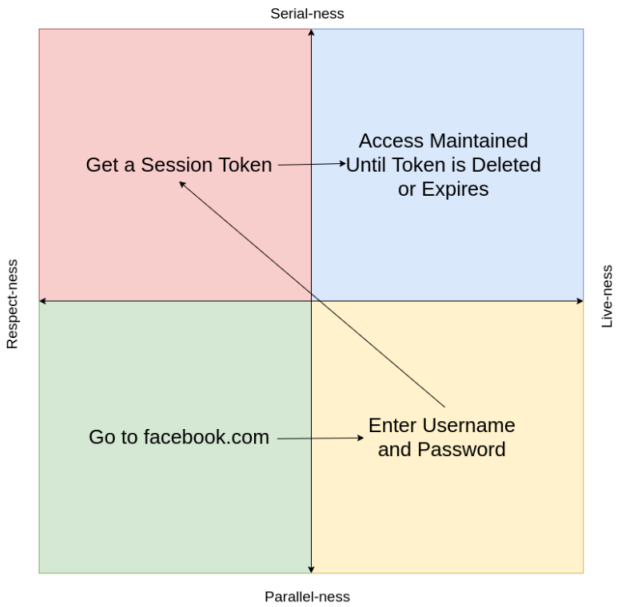

Figure 3.3: Zero to One on the Romeo-Juliet diagram in a simple form that many will understand: gaining a session token from facebook.com. The problem with Facebook's tokens is that they come with surveillance equipment included. We can do better.

The Romeo-Juliet diagram is designed to look like the well recognised 'political compass' memes on the internet. But the axes are subtly different. The Y-axis represents the 'serialisation' of information processing. Serialisation means that information must be processed sequentially, one after the other. The Bitcoin blockchain is a good example of this and why the transaction flow rate on the Bitcoin blockchain is limited to 4-8 transactions per second. Parallelism is the opposite of serialisation, where information can be processed in parallel. Parallelism is a key feature of Decentralised Acyclic Graphs whereby transaction information can be processed in parallel.

This is why solutions like RChain will be capable of forty thousand transactions per second and why parallelism is key to unleashing the power of human coordination at scale. If we create 39 million new leaders, we create 39 million parallel paths of human coordination, thus eliminating current bottlenecks and expanding human delegation with complexity, thus mitigating existential risk according to ALARP principles [52].

Romeo-Juliet diagrams in their most basic form are a way of framing the value of digital tokenization. The most simple form of tokenisation is an access token for a social network like Facebook. This token maintains access within the Facebook network until it is deleted from your browser.

The X-axis denotes the difference between respect for fundamental principles, which usually remains passive and unspoken within networks after access has been gained. Liveness correlates with 'active' signalling via speech, messaging, posting, writing or just 'doing' or 'demonstrating'. Liveness represents active engagement with or within a network.

In addition to 'respect-ness' and liveness the other aspect to process calculus is asynchronicity. Promises in Javascript are an example of this, but more broadly this asynchronicity can happen over nanoseconds or years depending upon the situation: the type of network and the types of signals being broadcasted.

The more humans are able to operate independently at scale, the more they remain unconstrained by serialised information processing checkpoints and associated rent seeking, as described by Henry George, such as the current financial system.

As blockchain was first and foremost designed as a means to bypass the existing financial system, is

cryptographically secured and decentralised, in order to leverage the full value of blockchain technology it needs to be designed for engineers and Blue Collar workers. This will significantly reduce friction and misallocation in labour markets and free people to be excellent in their work and productivity: the real driver of economic growth.

Most customers do not interact directly with markets and finance. This fallacy is holding blockchain technology back. User interfaces and product experiences should value competence and professional development: the value adding activities that most people can understand and engage with productively.

2) Zero to One Path

The Zero to One entrepreneurial path follows the same direction as the network hacking path on the Romeo-Juliet diagram.

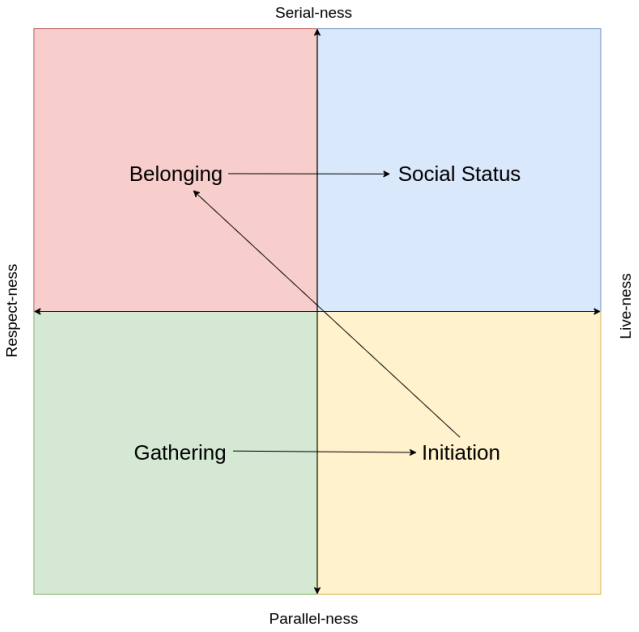

Figure 3.4: The squares of the Romeo-Juliet diagram are here described in more simple generalised terms. Green is socially passive, yellow is socially active, red is about belonging and finding a place in society, and blue is about maintaining one's place within society and therefore having recognised status within it. When green is constructive it relates to preparation and planning, when counterproductive it relates to laziness and ignorance. When yellow is constructive it relates to games and creativity, when counterproductive relates to violence and bullying. When red is constructive it relates to meritocracy, security, safety and quality, when counterproductive relates to fear, slavery, Orwellianism and Fake News. When blue is constructive it relates to compassion, wisdom and servant leadership, when counterproductive relates to greed, power-hunger and kleptocracy.

The important difference between network hacking and Zero to One entrepreneurialism is that Zero to One sets novel constraints within the red 'access' or 'belonging' square, whereas network hacking seeks to leverage and manipulate pre-existing constraints.

Setting novel constraints is related to the ability to generate predictive capability from engineered products, or engineering plus insurance in the Dan Robles virtuous circle model. Paypal is a good example of this and detailed in Peter Thiel's book.

The reasons for this are discussed in the Cre-Order of capital section.

3) Deathly Embrace

The Romeo-Juliet diagram inherits its name from the story of Romeo and Juliet written by William Shakespeare. Neither Romeo nor Juliet are able to overcome the constraints set by their respective networks and both commit suicide in the end as a result, despite their romance.

The first way of modelling deathly embrace is when the red square is awaiting an access request from the yellow square while the yellow square awaits access permission. This is typical of many failed and ongoing worthwhile entrepreneurial endeavours. It wastes precious time and resources which both the Earth and humanity are running out of.

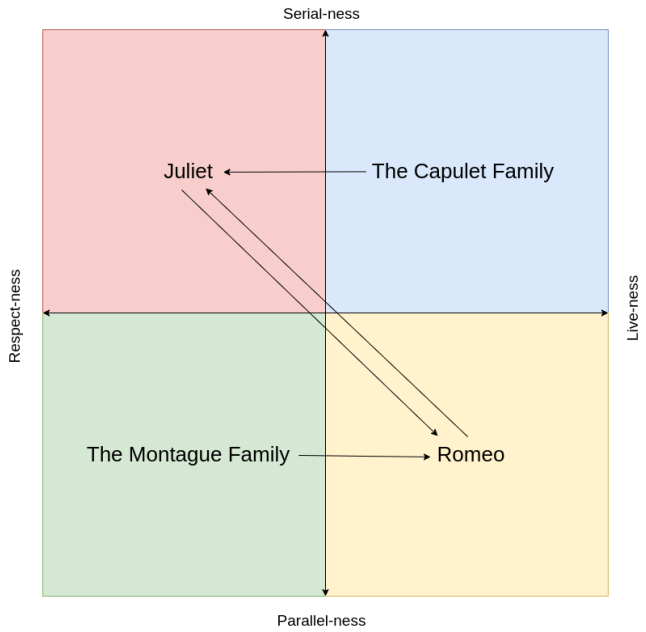

Figure 3.5: Deathly Embrace represented on the Romeo-Juliet diagram in terms of the plot of Romeo and Juliet itself. Romeo and Juliet await confirmation from each other that never arrives [24].

A historical example of this kind of deathly embrace at scale is the British economy prior to the Conder Token revolution of the late 18th century [4].

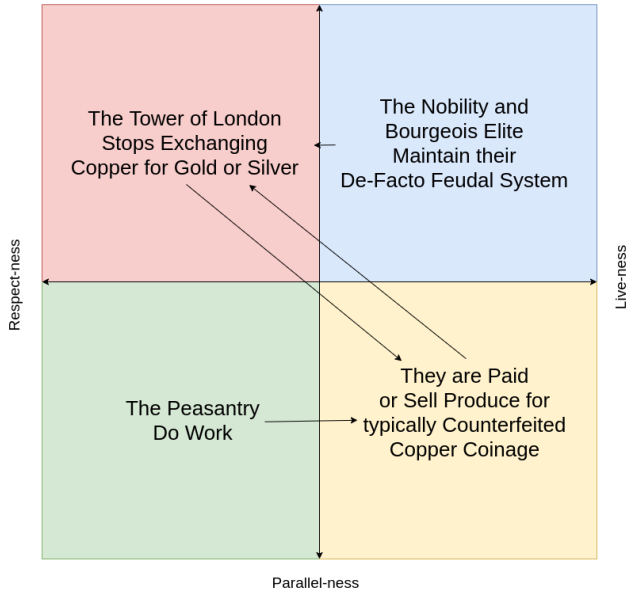

Figure 3.6: Deathly Embrace represented on the Romeo-Juliet diagram in terms of the economic conditions of the 18th Century in the UK prior to the Conder Token revolution.

In response to this, Thomas Williams minted his own copper coins, later termed Conder Tokens, which he promised to fully redeem for gold in his offices in Anglesey and London.

In this way we have a historical example of well engineered tokenization as a means to break the deathly embrace of a financial system acting in its own interest.

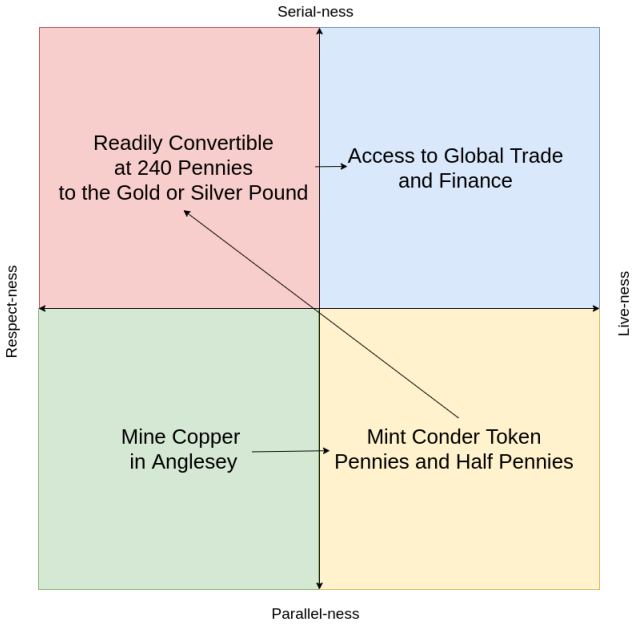

Figure 3.7: Conder Tokens broke the deathly embrace of the two-tier economic system produced by low quality government copper coin, thus giving everyone access to the Sterling economy, setting the stage for the industrial revolution [4].

Thus we believe blockchain technology is not first and foremost a tool of finance nor the existing Silicon Valley and Seattle technology empire, which already maintain a tyrannical grip over the global economy and global information, but a tool for ordinary people to be able to operate on a level playing field with finance and ‘Big Tech’.

And because tools like RChain can execute complex smart contracts at forty thousand transactions per second, the main use case is to move beyond simple private tokenization, which is already a 240 year old technology, towards systems of trust and settlement for labour-based assets such as competence, reputation, experience, team formation and talent.

4) Oscar vs Mallory

The second way to model Deathly Embrace is as a dead game whereby neither the blue square nor the green square are able to engage with one another. This represents a dead game where neither party is able to learn enough about each other to engage in a mutually

productive manner.

If we model the Romeo-Juliet diagram as a game between a malicious Siren Server [11] or financial channel acting purely in its own interest with N^2 resources (Metcalfe's Law) who we name Mallory and Mallory's opponent Oscar, who starts with zero resources, we can begin to understand this in terms of the reality today [21].

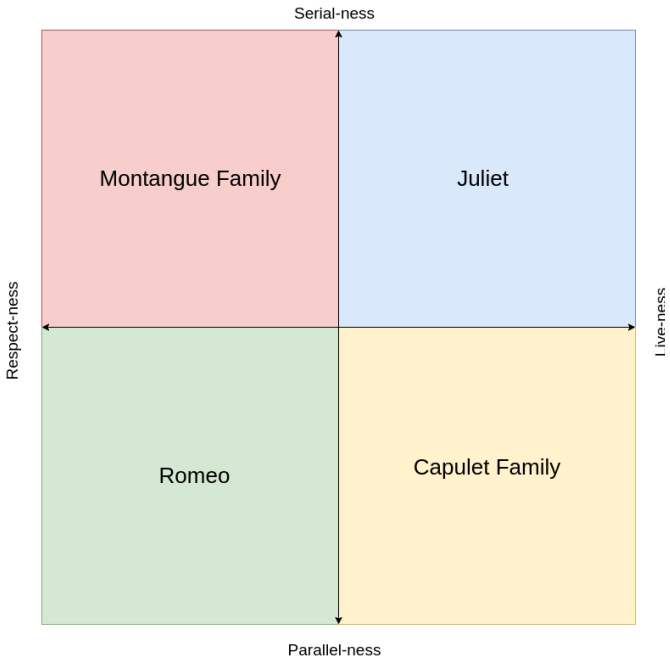

Figure 3.8: The Romeo-Juliet diagram represented as a dead game between the green square and the blue square. Neither Romeo nor Juliet are able to make moves into the yellow nor the red square respectively in order to learn more about each other.

A 'Dead Game' represents a situation whereby neither Romeo on the green square nor Juliet on the blue square are able to make a move in order to reveal information about their opposing participant. This is because the occupants of the red and yellow squares do not permit entry by default. In the play Romeo and Juliet, for Romeo to follow the Zero to One path he must become a part of the Capulet Family, which they will not accept. Likewise Juliet must become part of the Montague family, which they will not accept. So both Romeo and Juliet are stuck and the play represents a fable about the dangers of unbridled lust in broader social situations of low trust and animosity.

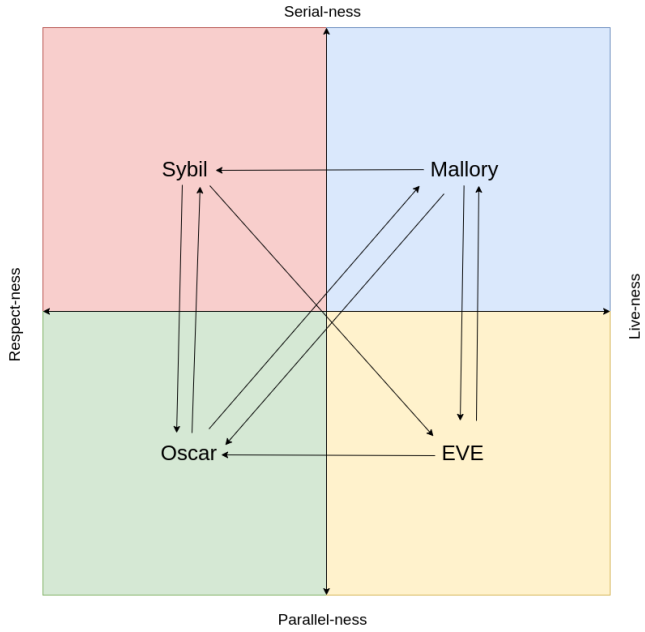

Figure 3.9: The Romeo-Juliet diagram represented as a game between Oscar, who begins with zero resources, and Mallory, the Siren Server [11] starting with N squared resources according to Metcalfe's Law. Eve is an eavesdropper and Sybil is a reputational attacker. Both Eve and Sybil work for whoever can offer them the best deal, so they start the game working for Mallory [21].

In our game, Oscar is seeking to create a novel engineering + insurance product that is currently not priced. In the case where Oscar is a hacker, Eve would be replaced by Walter, an active warden. According to Diego Gambetta [18], because the Cre-Order cannot be seen to be actively stopping Oscar in this game, Mallory will adopt a passive eavesdropping approach on the yellow square.

Sybil, the reputational attacker, and Eve, the eavesdropper, start the game as 'homo-economicus' rational actors who can be largely assumed to be working for Mallory at the beginning as Mallory has all the serialised lives resources (the most fungible hard currency).

Mallory's defensive formation uses all available opposing paths to Oscar's desired Zero to One path.

These paths form three main two-way channels which we term 'Sequestration Channels'. These are the channels via which Oscar will be most easily attacked by Mallory and must be most aware of in order to succeed.

5) Sequestration Paths

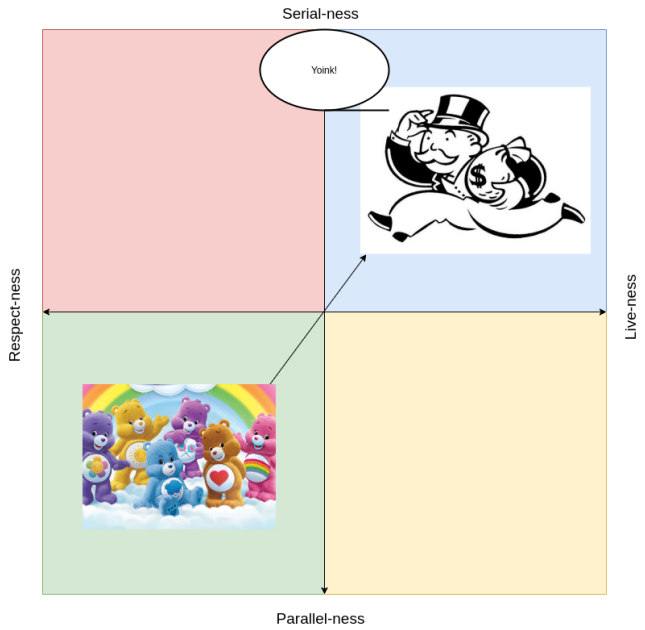

Figure 3.10: The Monopoly man on the blue square crudely demonstrating the mechanics of the diagonal sequestration channel at the expense of the Care Bears on the green square.

The first and most common sequestration channel is the diagonal sequestration channel. The outcome of this was seen frequently in the 2018 Ethereum ICO bubble and is characterised by extreme information asymmetry and serial channel rent seeking, to the point of blatant theft.

A worst case VanBex's FUEL token. VanBex were advising the World Bank and IMF on blockchain technology while their CEO Kevin Hobbs was a known drug smuggler and felon prior to their FUEL token ICO raise. After raising $22 million, buying penthouses, supercars, spending $millions at the casino and delivering nothing of more value than an ERC-20 token, VanBex are subject to an ongoing criminal and civil fraud investigation [54].

In the best possible case this sequestration channel operates like the collective intelligence community Quirky whereby Quirky keep 97% of intellectual property revenue and distribute 3% amongst their members.

Needless to say, this path leads to monopolisation of resources in the hands of the few even in the best case and outright fraud in the worst case.

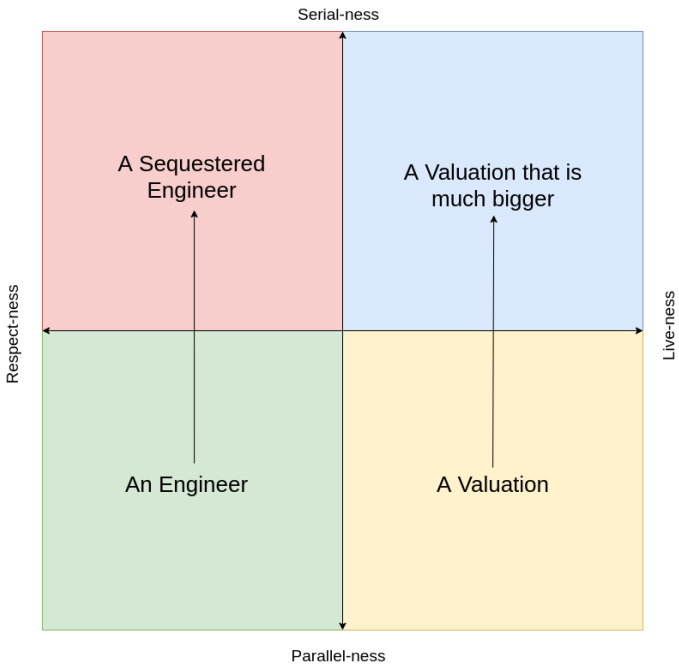

Figure 3.11: The other two sequestration channels represent the sequestration of people and machines on the left hand side and media and money on the right hand side.

The other two sequestration channels are more specific in purpose. The left hand green-red channel is used to sequester people resources, typically skilled engineers. It is typically passively Machiavellian with an Orwellian Big Brother feel.

The right hand sequestration channel is used to sequester media, typically exchange media such as money, but also art and music can be sequestered. Churning through investment series A, B, C, D to IPO with little to show for it in terms of profit or product is an example of the former. WeWork, Enron and Theranos are examples of the former. Over-promoted trashy pop music or modern art is an example of the latter. The right hand sequestration channel is more actively violent and competitive by nature. Hunger Games, Mortal Kombat or Battle Royale are good examples of the feel of this channel.

6) The Cre-Order of Capital

Nitzan and Bichler describe the Cre-Order of capital from a financial perspective in their treatise on human coordination 'Capital as Power'.

The key takeaways from the perspective of the Romeo-Juliet diagram are:

- The Cre-Order of capital is not interested in

equitable resource distribution beyond political necessity. It works towards total resource accumulation for its own sake.

- The Cre-Order of Capital operates according to Diego Gambetta's principles of Codes of the Underworld: it doesn't advertise what its real business is [22].
- The Cre-Order of capital is able to afford to operate how it does due to the huge rents it collects from the financial serial channel.
- The Cre-Order of capital will seek to maximise Tobin's Q [48] at all costs (elevate the perceived value of existing assets over innovation and greenfield assets)
- Therefore the Cre-Order of capital is fundamentally anti-innovation and anti greenfield project development by nature.
- The Cre-Order of capital will promote stagflation in all its forms. We are most interested in engineering signature stagflation, which can be treated most quickly using blockchain technology.
- Zero to One is real because innovation must have a fundamental 10x property in order to overcome the inertia and resistance created by the Cre-Order of capital.
- Zero to One thinking is therefore, by nature, threatening to the Cre-Order of capital. Peter Thiel's inspiration for the book itself is more spiritual (Rene Girard's Christian philosophy [31]) than commercial.

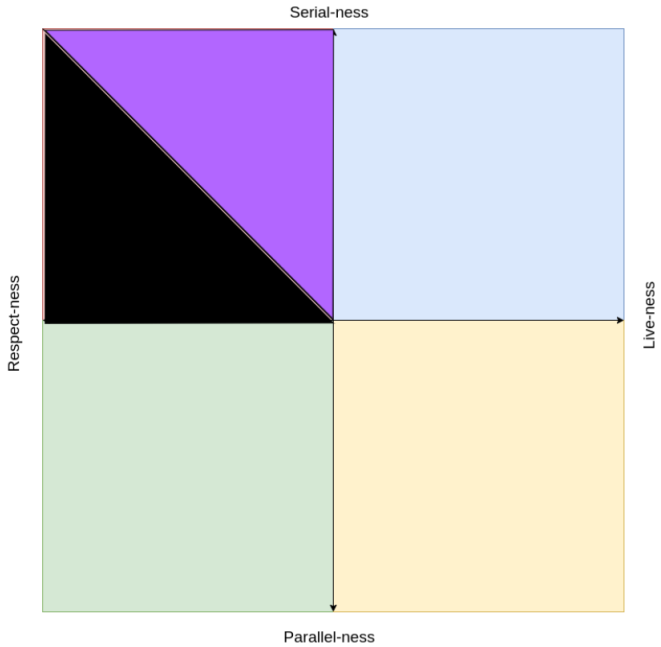

Figure 3.12: The Red Square is not fair. It is anarchic and it is all about accumulation, but within the optics of political sensibility. So it's not open anarcho-accumulations in public, but in terms of its fundamental mechanics behind the marketing and the PR it absolutely is.

7) Anarcho-Accumulations

The Cre-Order of capital can be represented as Finance + Insurance (Purple) and Engineering + Insurance (Black) on the serialised respectness square of the Romeo-Juliet diagram. We term this system 'Anarcho-Accumulationism'. It represents a schism in economic ideology around pricing insurance in all its forms from pollution mitigation to social security.

From the perspective of Nitzan and Bichler the purple faction are mostly interested in growing the depth of accumulation, which is individualistic in nature, and enforcing rules of near total accumulation according to the mechanisms of zero sum game non cooperative Game Theory. In this way it has the feel of a poker tournament. Its mechanism of consensus achievement is similar to Proof of Stake and access to this faction is more like hacking than entrepreneurialism.

Uber is an example of a novel purple faction product which must usurp a pre-existing accumulative monopoly in order to succeed. The benefit is that the service itself is already established. The downside is that Uber must battle the taxi driver unions and regulators in each new location, which means that it cannot scale frictionlessly and therefore exponentially, it must grow incrementally.

Examples:

- Centralised Artificial Intelligence
- State Power and Organised Violence
- Intelligence Agencies
- Hierarchy
- Rent Collection and Property Ownership
- Voting
- Legislative Law

The black faction is mostly interested in growing the breadth of accumulation, which is altruistic in nature, and operates on the mechanisms of ingenuity, interpersonal trust, competence and reputation. It has the feel of an engineering office or entrepreneurial start up. Its mechanism of consensus achievement is similar to Proof of Work.

Examples:

- Time Sheets
- CAD Drawings
- Proven Competence
- Inventions and Intellectual Property
- Git Commits
- PE/Chartered Engineer Signatures
- Civil and Common Law

Entry into the black faction requires an engineering product with predictive capability. The difficulty is that the engineered solution is novel and not necessarily financial in nature. PayPal found the best balance: when PayPal was created the broader financial system did not see online payment as a priority and had not yet entered the market. PayPal created a data pipeline to predict fraud in online payments well enough to remain cash flow neutral while their competitors succumbed to bankruptcy due to fraud.

In a more general sense the Romeo-Juliet diagram is designed to create a framework for those who try to develop and scale pure engineering products. Many entrepreneurs failed in the business of online payments, where the barriers to success are relatively low, whereas novel engineered products to solve humanity's existential problems are not financial in nature. Once PayPal became cash flow neutral, costing and pricing the business was trivial and fees arrived instantaneously, negating cash flow risk. The product itself: (money and predictive capability) was and is purely digital in nature, not physical.

Entrepreneurs involved in selling engineered products must also think about supply chains, delivery, manufacturing, assembly, inventory, human resourcing of engineering and blue collar teams in addition to what Peter Thiel experienced in his Zero to One journey with PayPal.

This greatly increases relative risk to both the entrepreneur and the investors and goes a long way to explain why physical product innovation is stagnating globally at precisely the time when it is needed and called for publicly most.

In order to fill the innovation gap a public awareness of the true barriers and the true costs of innovation within a simple framework of understanding is required and this is the intention of this paper.

8) The Fake News Perception Map

Both Gambetta [22], Nitzan and Bichler [3] all describe how rent seekers on serialised channels will seek to stagflate media and deliberately sabotage all potential competition in order to gain differential advantage.

Tristan Harris' Center for Humane Technology works to rectify the stagflation of media on social networks from Flat Earth Theory to QAnon. The stagflation of information in print media and network news is already broadly understood as 'Fake News'. Silicon Valley culture has become so fundamentally toxic that the former Google strapline 'Don't be Evil' is commonly understood to be antithetical to the general aims of Google's business model (reference).

The broader societal problem is that blanket sabotage of media from fiat money through to social media and now prevailing 'shilling' in the blockchain sector warp the general perspective such that the population are unable to even identify viable paths towards solving their existential issues. If this is the case then the Cre-Order of capital has a broad array of plausibly deniable excuses for not providing investment to engineers solving these problems even if they are on the right track.

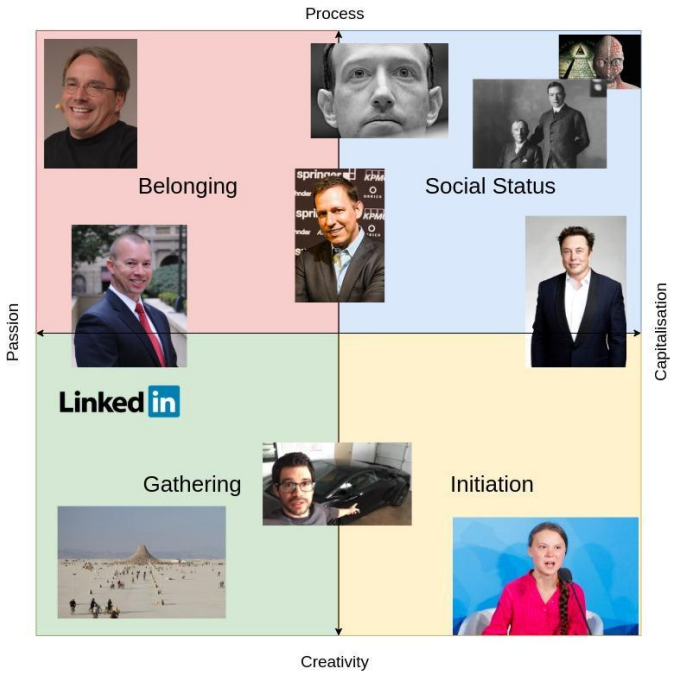

Figure 3.13: The fake news perception map propagated by the existing neoliberal Cre-Order of capital allows for no viable moves to enable the individual to take meaningful action to solve their local and global existential problems. Greta offers no solutions, Open Source is impossible to capitalise upon without being sequestered into the existing Cre-Order. Elon Musk is backed by a number of regulatory and institutional

asymmetric advantages. Siren Servers [11] (represented by Mark Zuckerberg) do not select for competence, and as for who is really in control, Facebook will tell you aliens from Saturn [37].

Figure 9.12 broadly represents a mixture between the toxicity of how Siren Servers [11] work and the perceptions of reality that they propagate. The main takeaway is that between the information asymmetry, regulatory capture and inability to capitalise, there is no viable Zero to One path. This leaves most people grossly disenfranchised and distracted by the current systems of information technology and gives them no clue as to a way out of their predicament.

Given the current realities of mankind and the biosphere we believe this to be completely unacceptable and tools like Factom point the way for the future of blockchain mainly as a notarisation tool for situationally valuable human capital rather than as a tool of finance. Money is not situationally aware, competent people are. This is why we have education and labour markets because as a society we generally know this to be true, but Nitzan and Bichler [3], Diego Gambetta [22], Jaron Lanier [47] and Henry George describe how and why the Cre-Order of capital will act antithetical with respect to these values given the opportunity to do so.

9) Engineering Stagflation

Nitzan and Bichler [3] discuss financial stagflation at length, but the problem with analysing financial stagflation is that finance is the most serialised live channel with the most inherent rent seeking and deception, even more so than Big Tech. Therefore the signals that academics and analysts must work with are noisy and misleading. The Bitcoin genesis block is testament to this and it is important to remain true to the fundamental principles of how and why this technology was created in the first instance.

The key to unlocking the Zero to One path is in first identifying the cleanest signals of stagflation which can be addressed most easily. Stagflation is easier to identify and resolve within engineering, because engineers themselves have stronger incentives to resist the stagflation of the their own signature, upon which their career and reputation rely, and because the engineering industry itself collects lower rents than the financial industry and is therefore less able to afford complex and elaborate deception and sabotage.

Engineering stagflation, the devaluation of engineering signatures to benefit minority accumulation within the Cre-order of capital, has the following properties:

- A preference for software over hardware
  - Ostensibly for efficiency but really to bypass regulations and institutions and externalise social costs
- Management of Change Denialism
- An overabundance of disposable people of inadequate competence for what amounts to ‘cheque kiting’ of signatures which push the work through but don’t hold water long term.
- Over-reliance upon ‘Cornerstone’ experienced engineers who must have a Sword of Damocles hanging over them and must dodge bullets every day to stay live

The Boeing 737 Max design is a particularly good case study of engineering signature stagflation [36] [37]:

- Replace hardware systems with software systems
- Hardware systems require credentials to sign off on
- Software systems do not
- The change is not managed from a fundamental perspective
- Engineers who speak up about the problem are targeted by management
- Therefore the safety engineering gets outsourced to the lowest common denominator
- Therefore planes crash
- Still Boeing does not own up to the Management of Change problem because it threatens their whole business model and then it gets a bailout

Blockchain technology, even in its infancy and with its limited functionality can do much to treat and prevent engineering stagflation by protecting the competency standards of engineers themselves and by making government, institutions and big business accountable for decisions with their own signatures and audit trail of quality assurance processes. As every engineering document is non-fungible and signed by a particular engineer with particular accountability and particular personal interest in maximising their own value and therefore the value of

their own work, the necessary incentive structure for change is already well aligned to tackle stagflation in engineering, whereas in finance this is not true.

Using modern advanced technology such as RChain it is possible to create a whole new financial system based on the fundamentals of engineering and insurance markets, the integral of which becomes the fuel, or phlogiston, of the network itself and therefore a liquid fungible currency but backed by competent human labour as Proof of Work, as opposed to silicon processor cycles as Proof of Work.

10) Safe Secure Labour Networks (21st Century Unionisation)

The current system of neoliberal global finance is a Metcalfe Network where gains are centralised and losses socialised. This was demonstrated by the 2008 financial crisis and bailout, but furthermore global debt currently stands at $281 trillion [39] or $29 000 per capita.

In addition to this $281 trillion debt the outstanding global derivatives market is estimated to be valued at $640 trillion [40].

The value of these financial assets is tenuous and fragile and must therefore be maintained via an extensive agenda of Cre-Order sabotage at global scale: wars, censorship, territorial conflict, trade tariffs and embargoes, surveillance, political and religious persecution and, crucially, prevention of the kind of genuine innovation that would make this system of 17th century debt-fueled mercantilist global policy obsolete.

CoVid-19 and the much talked about Great Reset are but further entrenchment and anchoring of the existing untenable Cre-Order of capital without drastic realignment and redesign of our value networks.

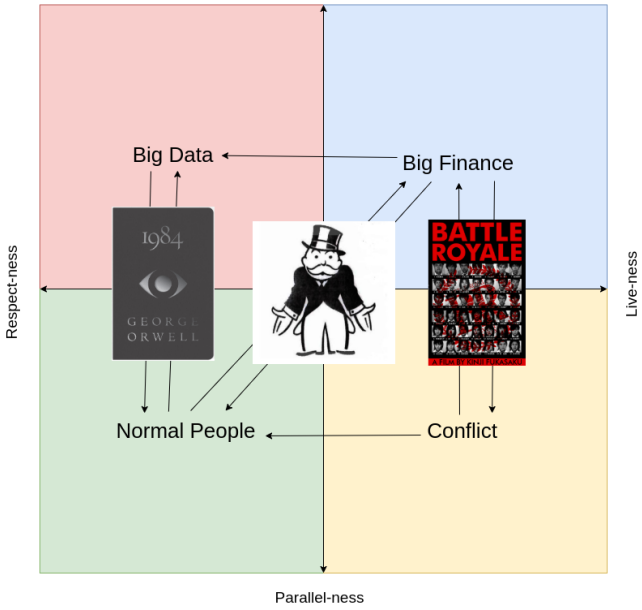

Figure 3.14: Big Finance and Big Data combined are the source of modern dystopian dysfunctional value networks producing both zero sum violence and meta-violence and blanket intrusive surveillance. The yellow square of parallel live social interaction descends into Battle Royale/Hunger Games zero-sum mimetic conflict whereby there can only be one winner as there is only one prevailing network. The inherent fragility of the network leads to paranoia which fuels its fundamental structure towards blanket Orwellian surveillance capitalism [10].

This completes our picture of the current state of the Romeo-Juliet diagram experienced by the general population in terms of the prevailing global system of coordination and resource allocation.

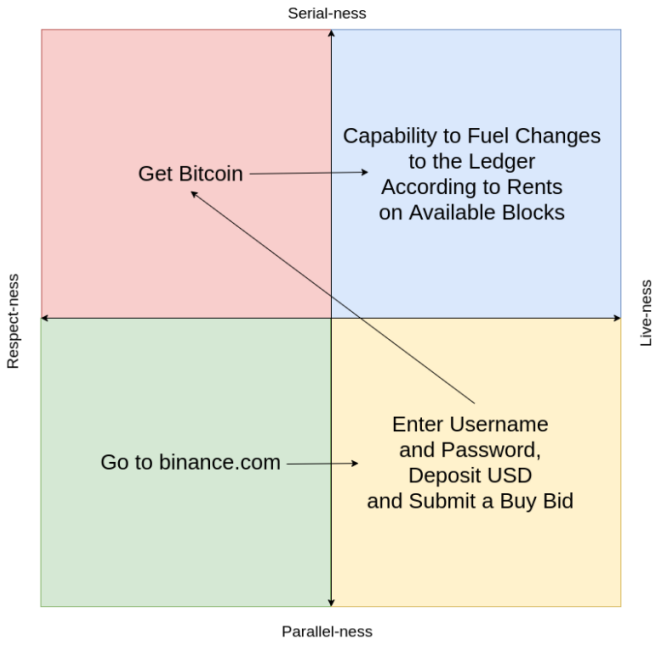

Figure 3.15: Zero to One in terms of obtaining Bitcoin network session tokens: you must pay cash.

The main problem with blockchain technology today is that users must pay cash in order to fund any transaction. In order to expand the functionality of blockchain technology to everyone, users should be able to gain access by sharing their own situational economic value. For most people, the working and middle class, this is their professional competence and reputation.

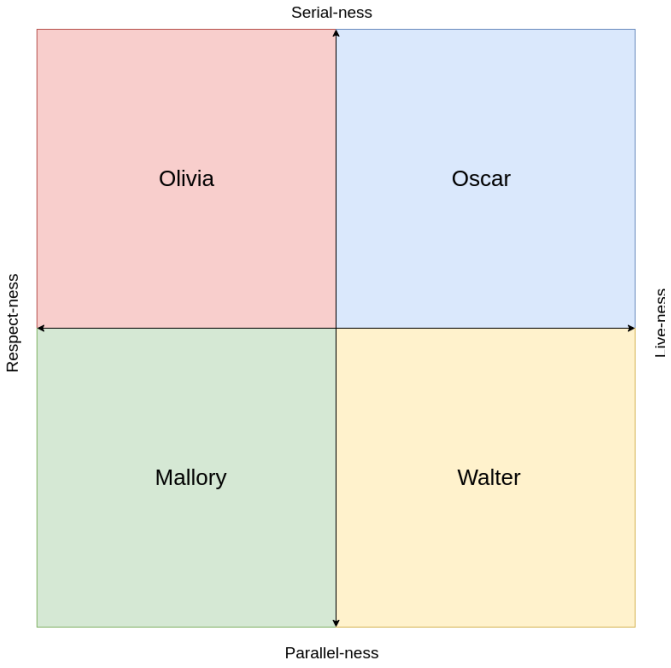

Figure 3.16: When Oscar forms his own network Sybil and Eve are replaced with Olivia and Walter [17].

In a general sense Oscar needs to form his own network based upon sound engineering principles of competence, project delivery and quality assurance, the serialised currency of which powers his own blockchain or DAG. This network will be protected by Olivia, the oracle and Walter the warden.

The term 'Oracle' is often overcomplicated. In terms of engineering networks an Oracle is merely competence verification and transparent quality assurance mechanisms for documentation. These systems already exist via regulations and state or national level engineering institutions to give insurance companies the necessary level of actuarial rigour to be able to price insurance on engineering work to a commercially acceptable level.

Once decentralised prediction markets expand capability to be able to perform the same actuarial functions of insurance companies, which is their vision, Oscar will have robust Oracle functionality.

This functionality can also be built incrementally starting with competence assurance. Using Git and blockchain (explained in part three) would immediately 10X transparency, integrity and refinement of the spreadsheet, paper and email systems used in the engineering industry today to achieve the same outcome.

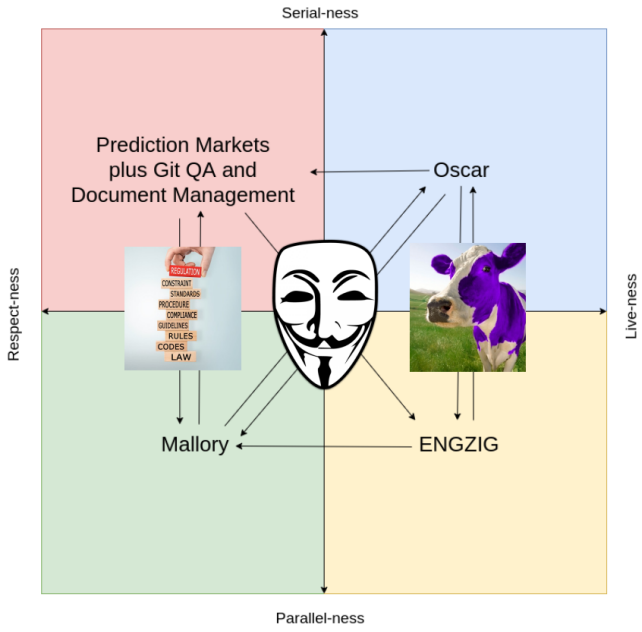

Figure 3.17: Between the digital hygiene practice of managing your own digital anonymity, ENGZIG as a competency management system guarding network access, and Git + Blockchain for QA with prediction markets providing insurance, Oscar transforms failed

Monopoly man's dystopia into something constructive.

In order to prevent conflict on the yellow square we need to value transparent professionalism and competence on the yellow square whereby everyone can find their own unique place within the projects they wish to work on. ENGZIG is a competency management system using Git and blockchain conceptually developed by Patrick Mockridge [43].

Where engineers own their own networks they can very simply keep malicious hackers and those motivated by stagflation, accumulation and sabotage out by requiring demonstrated competence as a prerequisite for gaining access. When conflict and violence are removed from the conditions for network access, the Hunger Games/Battle Royale dynamic is softened into a Seth Godin 'Purple Cow' [9] marketing dynamic whereby Oscar can use unique media and signalling to demonstrate the unique value (and associated monopoly) of his project which also inherently demonstrates that bad actors are inherently banned.

And when our networks are robust and secure backed by excellent work, the paranoia associated with Orwellian surveillance is unnecessary. Simple and transparent rules, policies and regulations are enough to contain the actions of malicious actors. This is what good governance means: ruling from strength and integrity rather than the weakness and paranoia created by the multi-decade systemic fraud of the financial system.

On a self-contained Proof of Stake RChain shard, participants are insulated from predatory Siren Servers, Big Data, the Derivatives time bomb and spiralling global debt with their own currency which, rather than being 'Typeless' as Greg Meredith suggests is, in fact, the integral of the work done on the network plus its predictive and risk management capability.

In this way networks don't abide by vacuous, greedy and vampiric Silicon Valley principles, where not being evil is today considered laughable, but rather by the true principles of mutual trust, respect and community.

The final piece to the puzzle is the diagonal sequestration channel which we must manage by taking personal responsibility for our private keys and digital identity. This core principle of basic digital hygiene is enough to defend us from all of the most common and most dangerous vectors of attack. Digital identity and private key management are not problems that we should expect business nor government to solve for us because the agency attack vector of buying them off with money or favours is both too facile and too obvious.

Just like nobody can be mindful of our personal hygiene for us unless we are disabled or sick in a hospital or in private care, the same goes for digital identity management. It is fundamentally a personal hygiene issue and should be treated in all cases as such.

As with basic personal hygiene: the potential downside of your digital ID management being compromised is potentially catastrophic and fatal. But in addition to this there are real and present monetary benefits for the Cre-Order of capital to sabotage your digital ID at any time. Whereas the cost to manage the risk is steady and predictable, just the same as showering, doing your laundry and washing your hands.

Personal responsibility for digital identity is merely a new hygiene habit or routine that we must integrate into modern life in order to remain safe, prosperous and healthy.

The Romeo-Juliet diagram framework is explained further and in more detail in a lecture series by Patrick Mockridge aimed at all those interested in cryptocurrency and Zero to One entrepreneurial thinking. [46]

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